Synta Reports Second Quarter Financial Results and Provides Corporate Update

August 6, 2014

Webcast and Conference Call Today, August 6, at 10:00 AM ET

LEXINGTON, Mass.--(BUSINESS WIRE)--Aug. 6, 2014-- Synta Pharmaceuticals Corp. (NASDAQ: SNTA) today reported financial results for the second quarter ended June 30, 2014 and provided an update on recent corporate events.

“Since the beginning of this year, ganetespib has reached several important clinical milestones across studies and cancer types, including encouraging results from the GALAXY-1 and ENCHANT Phase 2 studies in lung and breast cancer, and graduation to the Phase 3 extension in the AML LI-1 trial,” said Keith Gollust, Chairman of the Executive Committee of Synta. “With the launch of GANNET53 in ovarian cancer, ganetespib is now being studied in three large randomized studies in three separate cancers, with the expectation that three additional large randomized studies will begin before year end.”

Second Quarter and Recent Updates

- ***Enrollment in GANNET53 Trial of Ganetespib in Ovarian Cancer Commences.*** The Company announced today that GANNET53, a Seventh Framework Programme (FP7) research project funded by the European Commission, has begun enrolling patients in the safety lead-in Phase 1 portion of the trial. GANNET53 is a pan-European randomized trial designed to evaluate the combination of ganetespib and paclitaxel vs. paclitaxel alone in over 200 patients with metastatic, platinum-resistant ovarian cancer, which is commonly associated with p53 mutations. The study’s consortium consists of national clinical trial groups in gynecological oncology and high-volume university centers as well as noted p53 scientists and three innovative small and medium sized companies (SMEs).
- ***Ganetespib Advances into Phase 3 Extension of AML LI-1 Study in AML and High-Risk MDS; AML-18 and AML-19 Trials on Track to Initiate in 2H 2014.*** In July 2014, Synta announced the advancement of ganetespib into the Phase 3 extension of the AML LI-1 (less intensive) trial. AML LI-1 is a multicenter, randomized Phase 2/3 clinical study evaluating several novel treatment regimens, including the combination of ganetespib with low dose cytarabine (Ara-C), in newly diagnosed elderly patients with acute myeloid leukemia (AML) or high-risk myelodysplastic syndrome (MDS) who are not eligible for intensive chemotherapy.

Advancement into the Phase 3 extension follows an interim analysis of results from 50 patients who received the ganetespib-cytarabine combination in the Phase 2 portion of the trial. The primary efficacy outcome in Phase 2 was rate of complete response. Per the protocol, the Phase 3 extension will include an interim futility analysis and enroll approximately 200 patients in the ganetespib-cytarabine and the cytarabine alone arms, for a total of approximately 400 patients. The primary efficacy endpoint for the Phase 3 extension will include overall survival. The Company is currently in discussion with study investigators, and anticipates providing additional details, including the timing of study milestones, as they become formalized.

The AML LI-1 trial is the first of three multicenter, randomized studies supported by the Leukemia & Lymphoma Research Fund and Cancer Research UK to include a ganetespib treatment arm. AML LI-1 is being conducted under the auspices of the UK’s National Cancer Research Institute (NCRI) Haematological Oncology Study Group, with investigators in Denmark, France, New Zealand, and the UK, and under the sponsorship of Cardiff University, UK. The other two studies, to be initiated later this year, are the AML-18 trial, evaluating ganetespib with standard DA (daunorubin and Ara-C) in patients over 60 years old who can tolerate intensive chemotherapy, and the AML-19 trial, evaluating ganetespib in combination with conventional chemotherapy in younger patients with AML.

- ***Reported Results from Final Analysis of GALAXY-1 Study; GALAXY-2 Clinical Trial Remains on Track to Meet Data Readout Timelines.*** In May 2014, Synta reported final results from the global, randomized, multi-center Phase 2b GALAXY-1 study comparing the combination of ganetespib and docetaxel to docetaxel alone for the second-line treatment of advanced non-small cell adenocarcinoma. The final results from this trial, in particular the encouraging overall survival results and tolerability profile in chemosensitive patients, supports the selection of the chemosensitive population for the pivotal Phase 3 GALAXY-2 trial.

Synta also reported that the Company’s pivotal, Phase 3 GALAXY-2 trial of ganetespib and docetaxel vs. docetaxel alone for the 2nd line treatment of patients with NSCLC adenocarcinoma remains on track to meet previously guided data readout timelines. With a target enrollment of approximately 850 patients, and based on current projections and statistical assumptions, Synta continues to expect the two interim efficacy analyses of GALAXY-2 to be conducted by the independent Data Monitoring Committee (DMC) in the second half of 2015 and the final analysis to be conducted in the first half of 2016.

Second Quarter 2014 Financial Results

There were no revenues recognized in the second quarters of 2014 and 2013.

Research and development expenses were $18.8 million for the second quarter in 2014, compared to $17.9 million for the same period in 2013.

General and administrative expenses were $2.9 million for the second quarter in 2014, compared to $4.2 million for the same period in 2013.

The Company reported a net loss of $22.3 million, or $0.24 per basic and diluted share, in the second quarter of 2014, compared to a net loss of $22.8 million, or $0.33 per basic and diluted share, for the same period in 2013.

In the second quarter of 2014, the Company raised an aggregate of approximately $56.6 million in net proceeds from (i) the sale of its common stock under its at-the-market issuance sales agreements with MLV & Co. (ATM agreements) and (ii) the sale of its common stock in a registered direct offering to an affiliate of one of the Company's directors, who is a major shareholder.

As of June 30, 2014, the Company had $112.1 million in cash, cash equivalents and marketable securities, compared to $91.5 million in cash, cash equivalents and marketable securities as of December 31, 2013.

Subsequent to June 30, 2014, the Company has raised an additional $12.2 million of net proceeds under its ATM agreements.

More detailed financial information and analysis may be found in the Company's Quarterly Report on Form 10-Q, which was filed with the Securities and Exchange Commission (SEC) on August 6, 2014.

Guidance

Based on its current operating levels, the Company expects its cash resources of approximately $112.1 million at June 30, 2014, plus the $12.2 million in net proceeds from common stock sales subsequent to June 30, 2014, will be sufficient to fund operations at least into the fourth quarter of 2015. This estimate assumes no additional funding from new partnership agreements, equity financing events or further sales under its ATM, and that the timing and nature of certain activities contemplated for the remainder of 2014 and 2015 will be conducted subject to the availability of sufficient financial resources.

Conference call

Synta will host a conference call at 10:00 AM (ET) today to discuss clinical updates and second quarter 2014 financial results. The conference call will be webcast live over the Internet and can be accessed by logging on to the "Investors" section of the Synta Pharmaceuticals website, www.syntapharma.com, prior to the event.

The conference call can be accessed by dialing (877) 407-8035 (U.S.) or (201) 689-8035 (International). For those unable to join the live call, a replay will be available from 2:00 p.m. ET on Aug 6 through 11:59 p.m. ET on Aug 14. To access the replay, please dial (877) 660-6853 (U.S.) or (201) 612-7415 (International) and refer to conference ID 13587773.

The live webcast can be accessed by visiting the Investor Relations section of the Synta Pharmaceuticals website, www.syntapharma.com. The webcast will also be archived under Webcasts and Events within the Investor Relations section of the Company's website.

About Ganetespib

Ganetespib, an investigational drug candidate, is a selective inhibitor of heat shock protein 90 (Hsp90), a molecular chaperone which controls the folding and activation of a number of client proteins that drive tumor development and progression. Many solid and hematologic tumors are dependent on Hsp90 client proteins including proteins involved in "oncogene addiction" (ALK, HER2, mutant BRAF and EGFR, androgen receptor, estrogen receptor, and JAK2); proteins involved in resistance to chemotherapy and radiation therapy (ATR, BCL2, BRCA1/2, CDK1/4, CHK1, survivin, and WEE1); proteins involved in angiogenesis (HIF-1alpha, VEGFR, PDFGR, and VEGF); and proteins involved in metastasis (MET, RAF, AKT, MMPs, HIF-1alpha, and IGF-1R). In preclinical models, inhibition of Hsp90 by ganetespib results in the inactivation, destabilization, and eventual degradation of these cancer-promoting proteins. Ganetespib is being evaluated in trials in lung cancer, breast cancer, and other tumor types. The most common adverse event seen to date has been transient, mild or moderate diarrhea, which has been manageable with standard supportive care. Information on these trials can be found at www.clinicaltrials.gov. Ganetespib has received Fast Track designation from FDA for second-line treatment of non-small cell lung adenocarcinoma in combination with docetaxel.

About Hsp90 inhibitor Drug Conjugates (HDC)

HDCs are small-molecule drugs consisting of an Hsp90 inhibitor (targeting moiety) joined to an anti-cancer agent (payload) via a cleavable chemical linker optimized for controlled release of payload drug inside cancer cells. They exploit the preferential retention of Hsp90 inhibitors in tumors to selectively deliver anti-cancer payloads. HDCs represent a promising new therapeutic class with the potential to enhance the safety and efficacy of a wide range of small molecule anti-cancer drugs.

Synta has established proof of concept for HDC lead candidates in preclinical studies and has developed HDCs using a range of Hsp90 inhibitor moieties, cleavable linkers, and over 40 anti-cancer payloads. The latter include cytotoxic chemotherapeutics, kinase inhibitors, hormone therapies, immunomodulators, and epigenetic modifiers, creating the potential for next-generation compounds in each of these categories. Synta has filed worldwide patent applications that include comprehensive claims covering the HDC platform, compositions of matter, methods for identifying therapeutically effective compounds, and methods of use of such compounds against a wide range of diseases and conditions.

About Synta Pharmaceuticals

Synta Pharmaceuticals Corp. is a biopharmaceutical company focused on discovering, developing, and commercializing small molecule drugs to extend and enhance the lives of patients with severe medical conditions, including cancer and chronic inflammatory diseases. Synta has a unique chemical compound library, an integrated discovery engine, and a diverse pipeline of clinical- and preclinical-stage drug candidates with distinct mechanisms of action and novel chemical structures. All Synta drug candidates were invented by Synta scientists using its compound library and discovery capabilities. For more information, please visit www.syntapharma.com.

Safe Harbor Statement

This media release may contain forward-looking statements about Synta Pharmaceuticals Corp. Such forward-looking statements can be identified by the use of forward-looking terminology such as "will", "would", "should", "expects", "anticipates", "intends", "plans", "believes", "may", "estimates", "predicts", "projects", or similar expressions intended to identify forward-looking statements. Such statements, including statements relating to the

anticipated timing of the initiation of three additional large randomized studies of ganetespib by the end of 2014, the initiation of the AML-18 and AML-19 trials, the timing of the interim and final analyses for the GALAXY-2 trial, as well as the expectation that Synta's cash resources will be sufficient to fund operations through the fourth quarter of 2015, reflect Synta's current views with respect to future events and are based on assumptions and subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such forward-looking statements, including those described in "Risk Factors" of our Form 10-K for the year ended December 31, 2013 as filed with the Securities and Exchange Commission. Synta undertakes no obligation to publicly update forward-looking statements, whether because of new information, future events or otherwise, except as required by law.

Synta Pharmaceuticals Corp.

Condensed Consolidated Statements of Operations

(in thousands, except share and per share amounts)

(unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2014	**2013**	**2014**	**2013**
Revenues:				
Total revenues	$ —	$ —	$ —	$ —
Operating expenses:				
Research and development	18,761	17,876	36,344	34,256
General and administrative	2,940	4,187	8,264	8,065
Total operating expenses	21,701	22,063	44,608	42,321
Loss from operations	(21,701)	(22,063)	(44,608)	(42,321)
Interest expense, net	(585)	(724)	(1,235)	(1,194)
Net loss	$ (22,286)	$ (22,787)	$ (45,843)	$ (43,515)
Basic and diluted net loss per common share	$(0.24)	$ (0.33)	$ (0.51)	$ (0.63)
Basic and diluted weighted average number of common shares outstanding	94,046,278	69,034,823	89,765,982	69,013,217

Synta Pharmaceuticals Corp.

Condensed Consolidated Balance Sheets

(in thousands)

(unaudited)

	June 30, 2014	**December 31, 2013**
Assets		
Cash, cash equivalents and marketable securities	$ 112,060	$ 91,476
Other current assets	2,264	765
Property, plant and equipment, net	1,264	1,553
Other non-current assets	358	1,409
Total assets	$ 115,946	$ 95,203
Liabilities and Equity		

Current liabilities	$ 32,666	$ 32,207
Long-term liabilities	9,282	13,905
Stockholders' equity	73,998	49,091
Total liabilities and Stockholders' equity	$ 115,946	$ 95,203

Source: Synta Pharmaceuticals Corp.

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